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Spotlight

Director, Sugar Div., CSS

ON FOREIGN MARKETING



TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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NEW ANGOLA FLOUR MILL BUYS U. S. WHEAT as direct follow-up on a market development survey by our agricultural attache. In a letter to Spotlight "Steve" Stephanides gave a quick summation of the events leading to the sale:

"The imports of flour into Luanda have been discontinued as of October first. With the erection of a new flour mill the imports of flour were switched to wheat. Since the United States was the major exporter of wheat flour to Luanda for the past 10 years, this change, naturally, affected the U. S. market. Everything possible was done to convince the owner of the new flour mill to get his supply of wheat from the U. S. Despite difficulties, which I cannot mention here, the owner was convinced and finally ordered 7,000 tons of wheat. This is making history for Luanda, especially when the first shipment happened to be from U. S. sources.

"I am sure that Mr. (Judson) Evans of CSS, Mr. (William) Crottinger of Great Plains Wheat, Inc. (both toured Africa last summer in quest of new U. S. markets for wheat), and our Consul in Luanda, and others, are highly satisfied with the accomplishment. This is just the beginning and we hope exports of U. S. wheat to Angola will continue through the years to come. As you know, the person who gets there first dominates the market. The fact that Mr. Marcos, owner of the flour mill, was satisfied with the quality and the price of the wheat, is a good indication that he will continue to import wheat from the United States."

USDA BROADENED ITS EXPORT SALES PROGRAM FOR NONFAT DRY MILK early this month. Under the revised program any supplies not sold under the weekly competitive bid export sales program will be made available for export sale on an announced price basis. This price, which will be announced each Tuesday, will remain in effect through the following Monday. This is another method of keeping U. S. nonfat dry milk on a competitive basis at all times, and should serve as an added inducement to foreign importers to continue buying this commodity from the U. S.

Agricultural attaches should inform interested importers in their area of this program, and suggest that these individuals, or firms, contact U. S. exporters. Details in USDA press release 2729-60 (9/16/60).

EX-IM BANK EXTENDS CREDIT TO AUSTRIA TO BUY U. S. COTTON for the sixth time. The loan is for \$3.5 million and the amount of cotton is about 28,000 bales at an average weight of 500 pounds each.

A280.39
F765
Reserve

SOAP IN JAPAN. The population of Japan has become concious of the merits of soap through a cooperative advertising campaign carried on by FAS, The National Renderer's Association and the All Japan Soap Association. Sample slogan: "Now is the hot summer. If your day's work is over, please take soap and wash your hands and face. Also wash your sweaty underwear and work clothes with soap."

If some of us turned on our radio and heard a message like the above we would have mixed emotions of amusement and shock. But to the Japanese soap is as basic as cleanliness itself. At present they have no truck, as we do, with exotic scents, fancy wrappers and colors that match the motif of our bathrooms.

The highly-successful campaign to sell more U.S. tallow in the form of Japanese soap is in its third year. In addition to the basic activities of quality maintenance, customer service, team visits, etc., the Japanese have found that direct promotion also pays. Pamphlets, a 25-minute color movie, posters and a touring "soap bus" are helping to bolster the ditties and film clips which pepper the Japanese radio and TV air waves.

Since the beginning of the program our exports of tallow to Japan have increased nearly 70 percent. Based on our exports for the first eight months of this year, indications are that Japan will replace Italy as our number one tallow market.

DENMARK IS CONCENTRATING ON THE LUXURY MARKET for its poultry exports, and will not try to compete with the U. S. or other nations for sales of popularly-priced poultry meat items, according to David L. Hume, Director, FAS Dairy and Poultry Division. In commanding top prices for top quality the Danes have found the same success with their poultry exports as they have long enjoyed from the export market for their hams and cheese.

The Danes have a well-rounded program for the production and marketing of poultry and poultry products, which is supported by a growing research activity, the introduction of new management skills and an enlightened approach to marketing.

Eighty-five percent of Denmark's poultry production is sold abroad in contrast with only 2-3 percent of U. S. poultry meat products. However, U. S. production costs are lower.

U.S. POULTRY EXPORTS UP. U. S. poultry meat exports for the first 6 months of this year were 50 percent above the first half of 1959, with indications that the year's total will reach about 75 million pounds. Last year it was 125 million pounds. W. Europe took about 66 percent (W. Germany, Netherlands and Switzerland), and the remainder went mostly to Canada, Honk Kong, and Mexico. Some U. S. poultry is sold in 80 different countries.

U. S. TALLOW: SUPPLIES UP, PRICES DOWN, EXPORTS EXPANDING. Tallow prices for prime inedible, Chicago, have dropped sharply from 7.6 cents per pound in the latter part of 1958 to the current level of 5.25 cents per pound.

Tallow and greases are currently among the least expensive fats entering world trade. During the first eight months of this year U. S. tallow exports ran 32 percent above the corresponding period last year.

CCC MONTHLY SALES LIST FOR NOVEMBER 1960: Nonfat dry milk, butter, cotton (upland and extra long staple), peanuts, wheat, rice (rough, broken, and milled), corn, oats, barley, rye, grain sorghums, soybeans, gum turpentine, and tung oil.

All commodities (except oats) currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Nonfat dry milk, butter, cotton, tobacco, rice (milled), wheat, corn, barley, rye, and grain sorghums. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales Program for November 1960 are 3-1/2 percent for periods up to six months, 4 percent for period from over six and up to 18 months, and 4-1/2 percent for periods from over 18 months up to a maximum of 36 months.

"WHEAT - FOOD FOR THE WORLD" had its premiere showing in Washington month. The new 27-1/2 minute color film will eventually be shown abroad to promote sales of high quality U. S. wheat and flour.

Documentary in treatment, this excellent film shows the great U. S. wheat and flour industry through all phases -- production, milling and utilization. The universal appeal of wheat foods is shown with striking scenes from many lands.

Time-lapse photography is used to good advantage to show the growth of wheat from seed to maturity, but most unusual are the scenes showing the leavening process and actual baking in the oven.

In the near future attaches and wheat industry cooperators abroad will receive copies of the script for review. When areas of distribution are decided, appropriate foreign language sound tracks will be affixed to the films. Details of distribution will be announced at a later date.

"COTTON SHOWBOAT" VISITS COTTON WEEKS: Carrying journalists, cotton industrialists, retailer organization officials and ready-to-wear manufacturers, the "Prince of the Scheldt" became the Good Ship "Katoen" during a cruise to Belgian cities holding Cotton Week celebrations in 1960. Later, the Cotton Showboat visited 14 Cotton Week cities in Holland. Featured were films, homefurnishing fabrics, and shows of high fashion, ready-to-wear and historical costumes.

Another item of interest in Europe is that Norway became the 15th member country in the CCI last September, joining Scandinavian neighbors -- Sweden and Finland -- which are actively promoting greater use of cotton.

THE COTTON BOLL IS BECOMING A SYMBOL of cotton promotional activities in countries where the Cotton Council International is most active. The simple design is used extensively on labels in garments, posters, advertising, printed matter and a host of other places where it can be seen by the general public.

Languages may change as publicity campaigns flow over country borders, but the cotton boll is easily identified even by those who have linguistic shortcomings.

"A HINT OF CHOCOLATE" is the latest cigarette innovation of the Japan Monopoly Corporation. Its most recent brand, called "AAA", has a soft chocolate flavor added to its main ingredients of Virginia tobacco. Sales are going well at this writing, and volume for the first year on the market are expected to be about five million pieces. A pack of 20 sells for 17 cents.

As reported in earlier issues of Spotlight, the Japanese and other nationalities are quick to adopt certain innovations similar to those created by U. S. cigarette manufacturers. The terms "King-Size," "filter tips," and other features are becoming as much a part of a foreign smoker's jargon as it is here at home. Helping to bring about these changes, especially in Japan, France and Thailand, are the advertising and promotional campaigns being carried out through 104(a) market development projects.

INTEREST IN BULGOR WHEAT IS GROWING from the Far East into Kenya, according to a recent letter from a manufacturer of this product. Bulgor, an ancient precooked wheat product which is prepared similar to rice, has been enjoying some popularity in Far Eastern countries since its development by modern methods about five years ago. During a recent trip to African countries made by Judson Evans of CSS and William Crottinger, Great Plains Wheat, Inc., some literature on the product was given to Gordon Schlubatis, our agricultural attache in Nairobi. As a result, Gordon has stimulated a number of inquiries on bulgor from government officials and importers.

IMPORTS OF COTTON INTO SWITZERLAND during 1959-60 (August-July) totaled 203,000 bales (500 lbs. gross), up 48 percent from the 137,000 bales imported the previous season. The U. S. share was 89,000 bales or 44 percent of total, compared with 15,000 bales or 11 percent of the total a year earlier.

The sharp increase in Swiss cotton imports is attributed to higher consumption and a rise in cotton stocks held by mills.

MORE U.S. BREEDING SHEEP SOLD TO COLOMBIANS as a result of a recent purchase mission. The shipment consisted of 240 registered breeding sheep -- 50 ewe lambs and 10 rams each of the Hampshire, Rambouillet, Corriedale and Romney breeds.

The purchase is a direct result of a buying mission made in June as a part of our livestock market development program. Participants were Drs. Fransen and Cortes of the Rockefeller Agricultural Research Station in Colombia, and Mr. R. E. Singleton, Secretary of the American Corriedale Association, Inc., who acted as coordinator.

FOOD FOR THOUGHT FROM CLARENCE MILLER, Assistant Secretary of Agriculture: "These are times when we wonder what to do with our available farmland. I think it's important to note that last year 57 million acres were used in producing for export. This is almost equal to the harvested acreage of eight South Central States -- Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Texas."